APOLLO MANAGEMENT

All information is as of December 31, 2004, unless otherwise noted.

Apollo is a global leader in buyout and distressed investing

History

- Founded in 1990
- $12 billion invested in classic buyouts, distressed buyouts and corporate partner buyouts through 5 private equity partnerships
- Real estate affiliate launched in 1993 with more than $4.5 billion of committed capital since inception
- Capital markets activities provide a strategic advantage in Apollo's buyout approach
  - Currently manages $2.3 billion focused on public bonds, bank debt and mezzanine debt through the Apollo Investment Corporation and Apollo Distressed Investment Fund

Team

- 37 private equity investment professionals in New York, Los Angeles, and London
- Founding partners have worked together for 18 years and the firm's partners have worked together for 11 years
- $100 million commitment by Apollo partners to each private equity fund

Results

- Consistent first quartile performance with focus on capital preservation
- 41% gross realized and unrealized IRR on all investments since inception

Limited Partners

- 90% of LPs from previous funds continue to invest
- US investors
  - State pension funds: California, New York, Colorado, Louisiana, Illinois and Florida
  - Corporate pension funds: General Motors, AIG and Eli Lilly
  - Endowments and foundations: Robert Wood Johnson, Kresge, Dartmouth, and University of California
- International investors
  - Pensions funds: Canada Pension Plan Investment Board, BPMT Metal, AlpInvest and BP
  - Other institutions: Abu Dhabi Investment Authority, Partners Group and GIC (Singapore)

A unique investment approach has enabled Apollo to produce top quartile returns

Apollo Key Differentiators

Opportunistic across investment cycles

- Flexible transaction approach
  - Classic buyout
  - Distressed buyout
  - Corporate partner buyout
- Proven success investing in both expansionary and recessionary periods
- Two decades of experience investing in equity and debt securities; Active daily participation in public markets through affiliated funds

Proprietary deal flow

- Network of more than 100 prior portfolio company CEOs, CFOs and Boards of Directors
- Creation of buyouts through distressed debt securities
- Referrals based on relationships across several core industries
- Extensive network of relationships with banks and advisors

Focus on downside protection

- Disciplined approach to purchase price at below market multiples
- Structural controls:
  - Capital structure seniority
  - Creation of a stable, long-term capital structure
  - Guaranteed minimum returns
- Approximately 90% of investments have generated positive returns

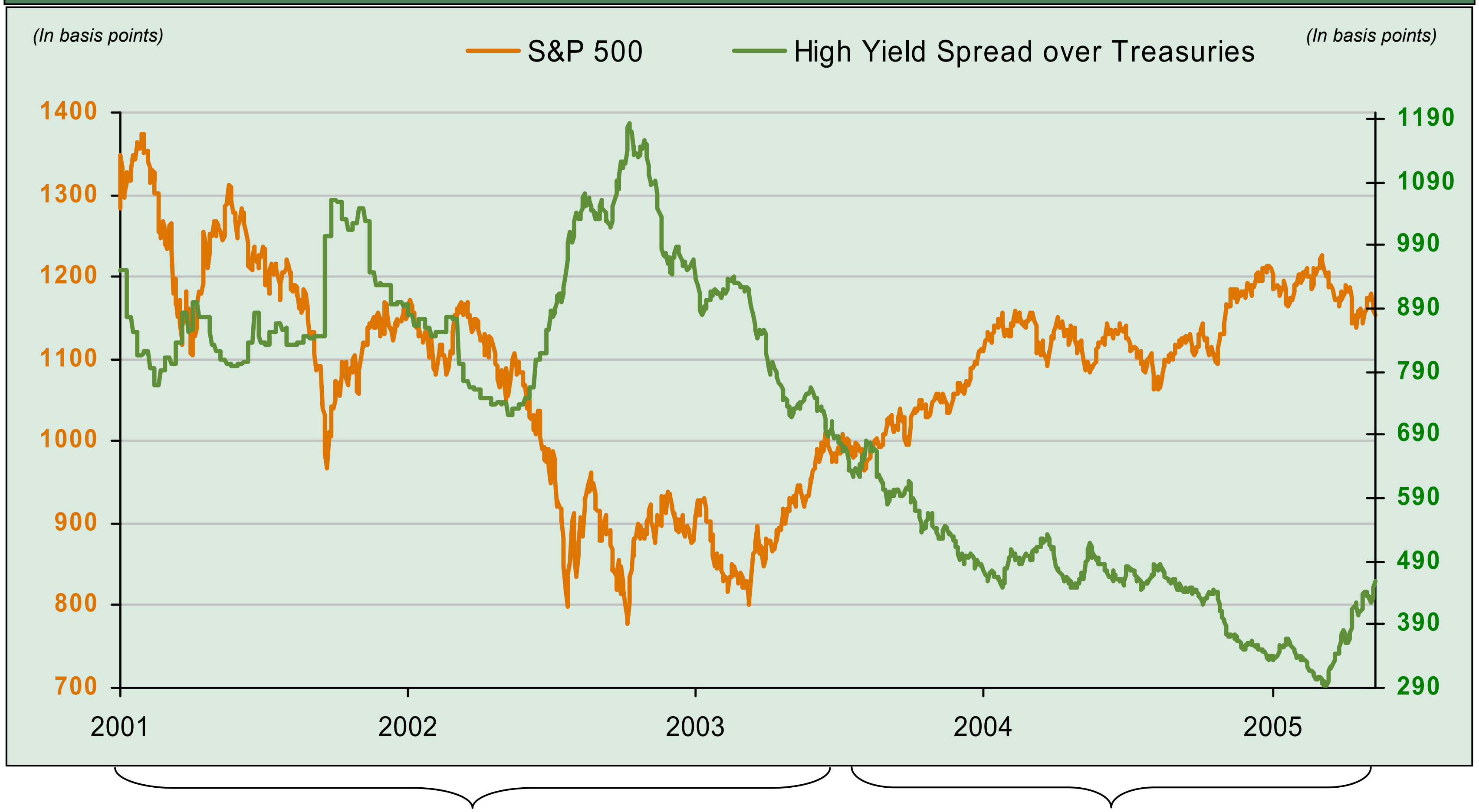
Apollo's flexible approach capitalizes on the current market environment

(figures in millions)

	Recession 1990–1993	Recovery 1994–1997	Boom era 1998–2000	Recession 2001–2003 Q3	Recovery 2003 Q4–today
Liquidity	Low	High	High	Low	High
Valuation	Low	Low-Medium	High	Low	Medium
Typical LBO firm	Inactive	Great investment period	Inactive or paid high prices	Inactive	Active and paying high prices
Apollo	Great investment period with **distressed** as buyout entry point	**Traditional buyouts**	Used **complex buyouts** and **corporate partners** to reduce entry multiple	Great investment period with **distressed** as buyout entry point	**Traditional buyouts** using industry expertise to reduce entry multiple
Classic buyouts and corporate partner buyouts	$547	$1,453	$3,130	$518	$1,659
Distressed buyouts and debt investments	$3,010	$60	$0	$1,305	$256

Fund V's portfolio has taken advantage of the changing credit and equity market environment

High Yield Bond spreads over Treasuries vs. S&P 500*



Distressed Buyouts

($1.3 billion invested)

- Financing difficult
- Low valuations
- Unprecedented supply of distressed securities

Classic Buyouts

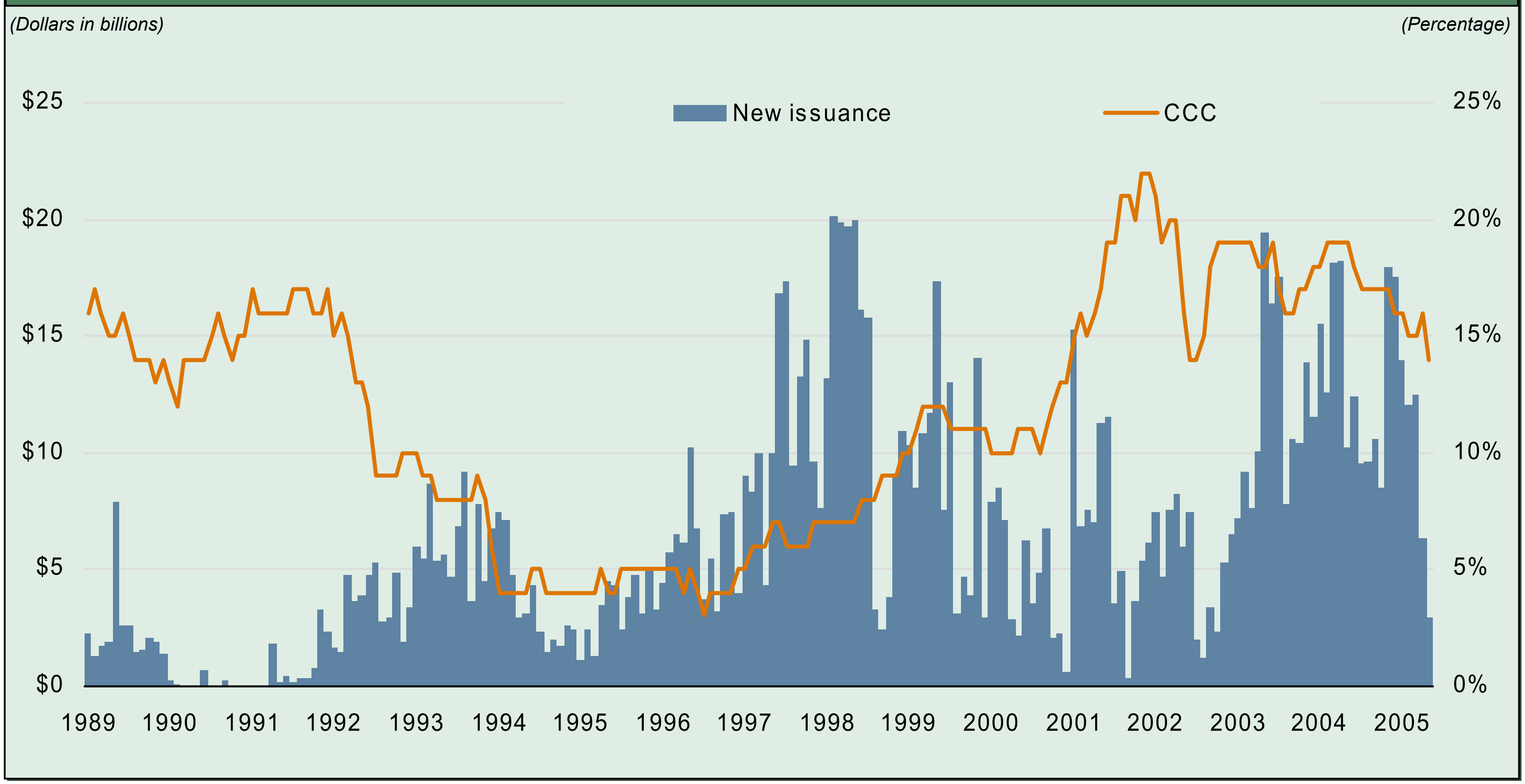
($2.0 billion invested)

- Financing availability high
- Rising valuations
- More limited distressed opportunities

Source: Bank of America

The current credit markets may foreshadow future distressed buyout opportunities

Credit quality



Source: JPMorgan.

Apollo's deep industry expertise allows us to capitalize on opportunities as a strategic investor

Chemicals	Consumer and retail	Distribution & transportation	Financial services	Manufacturing & industrial	Media, entertainment & cable	Satellite and wireless
Borden Chemical	GNC LiveWell	UAP United Agri Products	NFP National Financial Partners	Goodman Air Conditioning & Heating	AMC Theatres	SkyTerra Communications
Compass Minerals Group	Rent-A-Center	Pacer International	WMC Empowering the Mortgage Industry	Birmingham Steel	Sirius Satellite Radio	MSV Hughes Network Systems Spaceway
Nalco	Saks Incorporated	United Rentals	NRT	Allied Waste Industries, Inc.	cablecom	SpectraSite
Eastman	Dominick's The Fresh Store	Buhrmann	LaSalle Re	Furniture Brands International welcome to Broyhill	iesy	Horizon PCS
Resolution Performance Products	Samsonite	QD Quality Distribution	Western Union	Culligan	New York Law Journal	Intelsat
Uniroyal For everything you value	educate, inc.	Whitmire Distribution			The Funtastic World of Hanna-Barbera	WildBlue
	Ralphs	Alliance Imaging			New World Communications	UnitedGlobalCom
	Zales				Telemundo	

…other industries include hospitality, leisure, printing and publishing among others.

Apollo historical overview

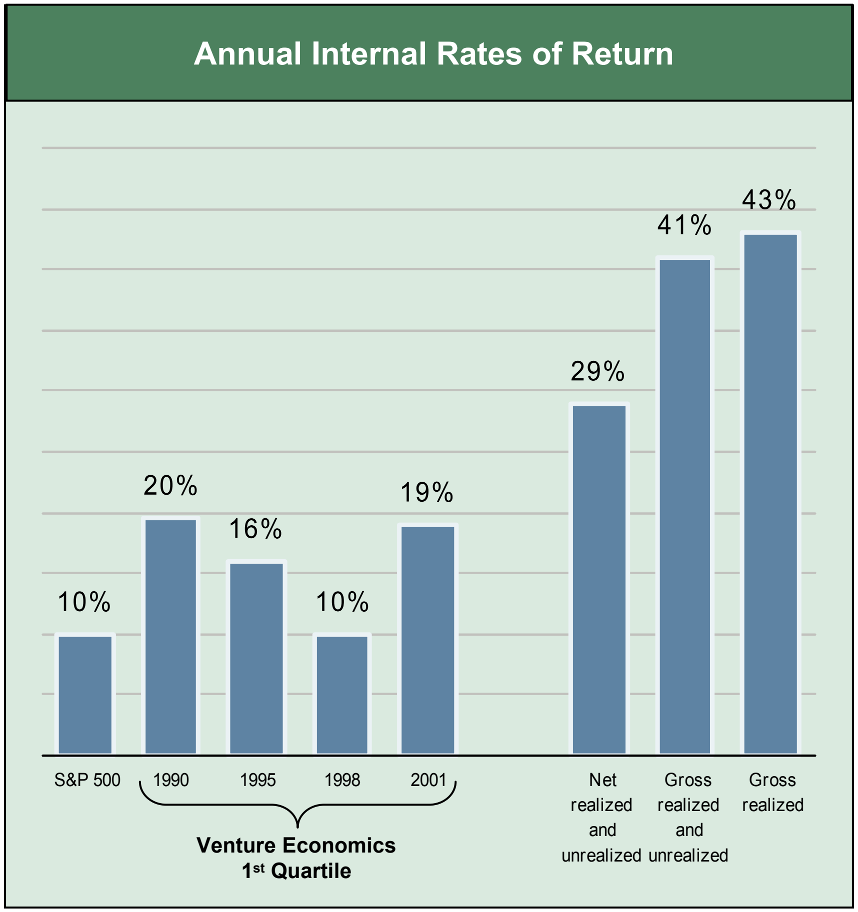
(all figures in millions)

	Fund I, II & MA	Fund III	Fund IV	Fund V
Vintage year	1990	1995	1988	2001
Total fund size	$3,992	$1,500	$3,600	$5,100 *
CalPERS commitment	na	$150	$150	$250
Total invested capital	$3,772	$1,497	$3,351	$3,446
Total adjusted value	$7,924	$2,684	$6,601	$7,547
Gross IRR	47%	19%	16%	102%
Gross realized buyout multiple	2.6x	1.8x	2.3x	3.6x

* Includes approximately $1.3 billion of recyclable capital as of 12/31/04.

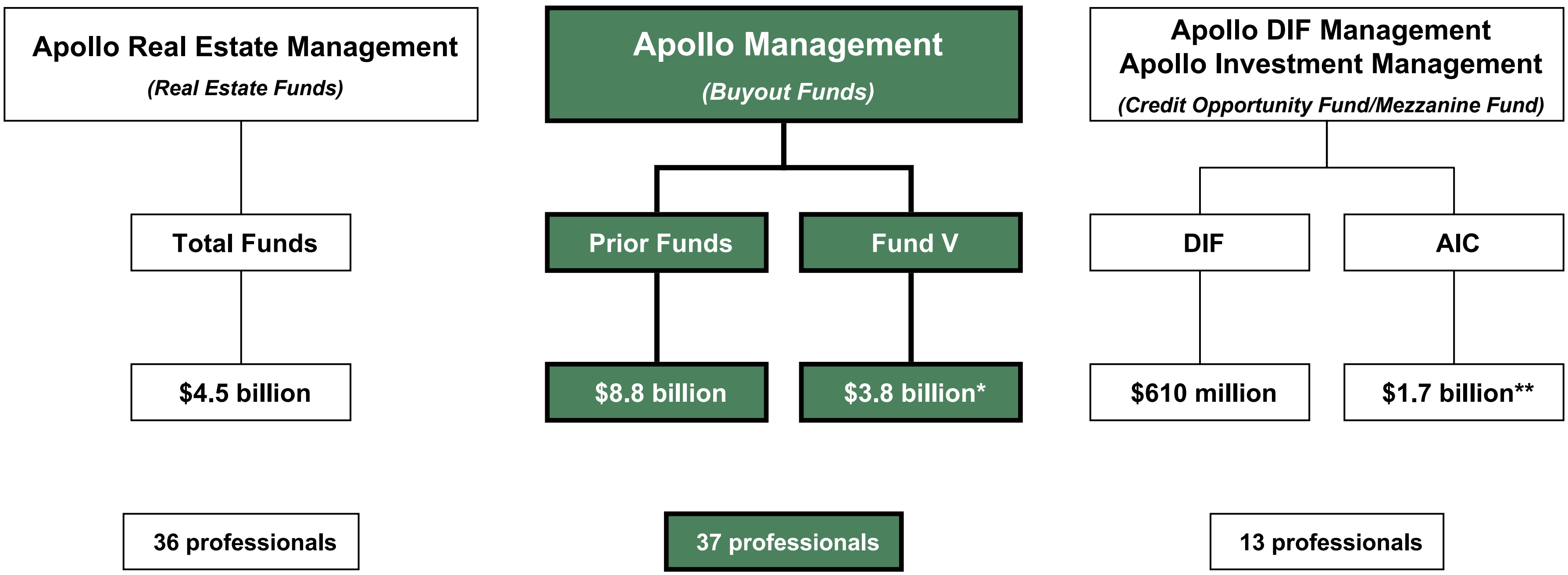
Summary

- $12 billion invested since 1990
- No Apollo fund has lost capital
- 90% of Apollo's investments have generated positive returns
- Consistent flexible investment approach since inception
- Consistent and experienced team: Founding partners have worked together for 18 years; the partners have worked together for 10 years, on average



Note: Venture Economics figures are as of December 31, 2004 and represent buyout funds of over $500 million. S&P 500 returns are calculated using the annual IRR of the index from September 1990 until December 2004.

Apollo complements its private equity focus with the capital markets and real estate expertise of our affiliates



* Fund V represents approximately $5 billion of investable capital. Fund V was established with $3.75 billion of investor capital and has generated more than $1.3 billion of recyclable capital.

** Includes original IPO proceeds of approximately $930 million.

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